Unemployment rate falls to 4.2% as female participation hits record high in July

Media Release

Released 14/08/2025

Source: Labour Force, Australia, July 2025

The seasonally adjusted unemployment rate fell to 4.2 per cent in July, according to data released today by the Australian Bureau of Statistics (ABS).

Sean Crick, ABS head of labour statistics, said: 'With employment rising by 25,000 people and the number of unemployed decreasing by 10,000 people, the unemployment rate fell by 0.1 percentage points to 4.2 per cent in July.'

Growth in employment was driven by full-time employment, which was up by 60,000 people, with a 36,000 person fall in part-time employment partly offsetting this rise. Female full-time workers grew by 40,000 while male full-time workers rose by 20,000.

The growth in employment resulted in the employment-to-population ratio rising slightly to 64.2 per cent. The participation rate stayed at 67.0 per cent. The female employment-to-population ratio and participation rate reached 60.9 per cent and 63.5 per cent respectively, both new historical highs.

Hours worked rose 0.3 per cent in July, slightly higher than the monthly employment growth (+0.2%).

Seasonally adjusted employment and hours worked, indexed to June 2022

Source: Labour Force, Australia Tables 1 and 19

Underemployment and underutilisation

The underemployment rate fell by 0.1 percentage points to 5.9 per cent in July 2025. This was 0.5 percentage points lower than July 2024, and 2.9 percentage points lower than March 2020.

The underutilisation rate, which combines the unemployment and underemployment rates, fell by 0.2 percentage points to 10.1 per cent. This was 0.4 percentage points lower than July 2024, and 3.8 percentage points lower than March 2020.

Underlying trend data

The trend unemployment rate remained steady at 4.2 per cent.

Employment grew by around 25,000 people (+0.2 per cent) in July, and 2.0 per cent over the last 12 months.

‘Trend annual employment growth has been faster than population growth for most of the past year, but has slowed in recent months to be in line with annual population growth in July,’ Mr Crick said.

Monthly hours worked rose by 0.1 per cent, following similar growth patterns since the start of 2025.

‘In trend terms, the participation rate rose marginally to 67.1 per cent in July, while the employment-to-population ratio stayed at 64.2 per cent,’ Mr Crick said.

The underemployment rate remained at 5.9 per cent and the underutilisation rate remained at 10.1 per cent.

More information, including regional labour market data, will be available in the upcoming July 2025 issue of Labour Force, Australia, Detailed, on Thursday 21 August 2025.

The ABS would like to thank Australians for their continued support in responding to our surveys.

Media notes

- The July survey reference period is from 29 June 2025 to 12 July 2025.
- The August survey reference period is from 3 August 2025 to 16 August 2025.
- The ABS defines population as the resident civilian population aged 15 years and over when reporting labour force statistics.
- Numbers may not be additive due to rounding.
- Watch our data literacy presentation on CPI, inflation and cost of living data (https://www.youtube.com/watch?v=9-sGkfqqI70) as well as our ABS data crash course (https://www.youtube.com/watch?v=le2K3PNejU4&list=PLR8_RxifMwL4JQTxYclMANzga67VBlyhj&index=11), designed especially for journalists to learn how to find, download and interpret our data.
- Official, high-resolution images of ABS media spokespeople can be found in our image library (https://www.abs.gov.au/media-centre/abs-image-library).
- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
- For media requests and interviews, contact the ABS Media Team via media@abs.gov.au (mailto:media@abs.gov.au) (9am-5pm Mon-Fri).
- Subscribe to our media release notification service (https://www4.abs.gov.au/ausstats/notifications.NSF/Web+Pages/ABS+Email+Notification+Service?OpenDocument&js=enabled) to get notified of ABS media releases or publications upon their release.